

BANK INDONESIA REGULATION  
NUMBER 7/5/PBI/2005  
CONCERNING  
SPECIAL TREATMENT FOR COMMERCIAL BANK CREDIT FOLLOWING  
THE NATIONAL DISASTER IN ACEH PROVINCE AND NIAS REGENCY,  
NORTH SUMATRA PROVINCE

THE GOVERNOR OF BANK INDONESIA,

- Considering:
- a. whereas following the national disaster in the Aceh Province and Nias Regency, North Sumatra Province, it is necessary to pursue various measures to support restoration of economic condition;
  - b. whereas one measure in support of restoration of economic condition is the provision of special treatment for commercial bank credit;
  - c. now therefore according to the considerations set forth in letter a and letter b, it is deemed necessary to enact provisions concerning special treatment for commercial bank credit following the national disaster in the Aceh Province and Nias Regency, North Sumatra Province, in a Bank Indonesia Regulation;

- In view of:
- 1. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3472), as amended by Act Number 10

of 1998 (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement to the State Gazette of the Republic of Indonesia Number 3790);

2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended by Act Number 3 of 2004 (State Gazette of the Republic of Indonesia Number 7 of 2004, Supplement to the State Gazette of the Republic of Indonesia Number 4357);

#### HAS DECREED:

To enact:           THE     BANK     INDONESIA     REGULATION  
CONCERNING   SPECIAL   TREATMENT   FOR  
COMMERCIAL BANK CREDIT FOLLOWING THE  
NATIONAL DISASTER IN ACEH PROVINCE AND  
NIAS REGENCY, NORTH SUMATRA PROVINCE.

#### Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. “Bank” is a Commercial Bank as defined in Act Number 7 of 1992 concerning Banking, as amended by Act Number 10 of 1998, including a branch office of a foreign bank.

2. “Credit” ...

2. “Credit” is the provision of funds or equivalent claims based on a loan agreement or contract between the Bank and another party requiring the borrowing party to repay the debt at a specified term with interest, including:
- a. overdraft, namely negative balance in the demand deposit of a customer that cannot be repaid in full at end-of-day;
  - b. takeover of claims in the course of factoring;
  - c. takeover or purchase of credit from other parties.

## Article 2

- (1) Classification of Credit quality or other provision of funds from a Bank for debtor customers with an overall ceiling of no more than Rp 5,000,000,000 (five billion rupiahs) shall be based only on prompt repayment of principal and interest.
- (2) The procedure for classification of quality of Credit or other provision of funds as referred to in paragraph (1) shall be implemented in accordance with the prevailing Bank Indonesia regulations.
- (3) The ceiling of Credit or other provision of funds as referred to in paragraph (1) shall apply both to individual debtors and group debtors and for all facilities received from 1 (one) Bank.
- (4) Classification of Credit quality or other provision of funds as referred to in paragraph (1) shall apply to Credit or other provision of funds disbursed prior to or to be disbursed at the promulgation of this regulation.
- (5) Classification of Credit quality or other provision of funds as referred to in paragraph (1) shall apply only to Credit or other provision of funds disbursed to debtors with project locations or business locations in the Aceh Province and/or Nias Regency, North Sumatra Province.

### Article 3

- (1) Credit quality for restructured debt shall be classified current commencing from the restructuring through the end of January 2008.
- (2) Debt restructuring shall be conducted with reference to the prevailing Bank Indonesia regulations.
- (3) Debt restructuring as referred to in paragraph (1) may be conducted both for Credit extended prior to and to be extended at the time of the promulgation of this regulation.

### Article 4

The provisions referred to in Article 3 shall apply only to Credit that satisfies the following requirements:

- a. disbursed to debtors with project locations or business locations in the Aceh Province and/or Nias Regency, North Sumatra Province; and
- b. have or are deemed likely to experience difficulties in repayment of Credit principal and/or interest by reason of the impact of the national disaster in the Aceh Province and/or Nias Regency, North Sumatra Province.

### Article 5

Classification of Credit quality for restructured debt after the period referred to in Article 3 shall be based on the prevailing Bank Indonesia regulations.

#### Article 6

The provisions in this Bank Indonesia Regulation shall also apply to conventional Commercial Banks conducting business based on Sharia Principles and Commercial Banks based on Sharia Principles for provision of funds encompassing financing (*mudharabah* or *musyarakah*), receivables (*murabahah*, *salam*, or *istishna*), leasing (*ijarah*), loans (*qardh*), and other provision of funds.

#### Article 7

This Bank Indonesia Regulation shall come into force on the date of its enactment.

- 6

-

Enacted in Jakarta

Dated January 20, 2005

THE GOVERNOR OF BANK INDONESIA,

BURHANUDDIN ABDULLAH

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 15 OF  
2005

DPNP/DPbS

ELUCIDATION  
TO  
BANK INDONESIA REGULATION  
NUMBER 7/5/PBI/2005  
CONCERNING  
SPECIAL TREATMENT FOR COMMERCIAL BANK CREDIT  
FOLLOWING THE NATIONAL DISASTER IN THE ACEH PROVINCE  
AND NIAS REGENCY, NORTH SUMATRA PROVINCE

GENERAL REVIEW

As widely reported, the national disaster in the Aceh Province and the Nias Regency, North Sumatra Province on December 26, 2004, is expected to have impact on the Indonesian economy, particularly in Aceh Province and Nias Regency, North Sumatra Province. Debtors affected by the disaster are expected to experience difficulties in meeting their obligations under loan agreements.

In this regard, Bank Indonesia deems it necessary to provide special treatment for commercial bank credit in the form of relaxation of appraisal of the quality of credit and provision of funds in order to provide opportunity to debtors to rebuild their businesses in support of economic recovery in Aceh Province and Nias Regency, North Sumatra Province.

ARTICLE BY ARTICLE

Article 1

Self-explanatory

## Article 2

### Paragraph (1)

“Other provision of funds” is defined as issuance of guarantees and opening of letters of credit.

### Paragraph (2)

The prevailing Bank Indonesia regulations are the regulations on Assessment of Assets Quality for Commercial Banks and Earning Assets Quality for Sharia Commercial Banks.

### Paragraph (3)

Self-explanatory

### Paragraph (4)

Self-explanatory

### Paragraph (5)

Self-explanatory

## Article 3

### Paragraph (1)

Debt Restructuring may be undertaken for all extended Credit.

### Paragraph (2)

Self-explanatory

### Paragraph (3)

Self-explanatory

## Article 4

Self-explanatory



Article 5

The prevailing Bank Indonesia regulations are the regulations on ~~Earning~~  
Assessmnet of Assets Quality for Commercial Banks and Earning Assets  
Quality for Sharia Commercial Banks.

Article 6

“Other provision of funds” is defined as issuance of guarantees and  
opening of letters of credit.

Article 7

Self-explanatory